

HCS SB 932 -- REGULATION OF BONDED ENTITIES

FEDERAL CREDIT UNIONS (Section 370.230, RSMo)

This bill modifies auditing standards of credit unions so that the standards are consistent with federal credit union standards.

FEDERAL HOME LOAN BANKS (Section 375.971)

The bill modifies the Uniform Insurer's Liquidation Act to provide rights to Federal Home Loan Bank (FHLB) members when insurance companies fall into delinquency proceedings and create procedures in conjunction with the establishment of a receiver during a delinquency proceeding. The bill provides that a FHLB is neither stayed nor prohibited from exercising its rights regarding collateral pledged to it by an insurer-member. If the FHLB exercises its rights to the collateral, the FHLB is obligated to repurchase any outstanding stock that exceeds the amount of bank stock the insurer-member is required to hold as a minimum investment. An FHLB must establish a time line to govern the handling of collateral within 10 days after a receiver's appointment. The time line will establish the release of certain collateral, redemption or repurchase of FHLB stock and payment of fees owed by insurers regarding FHLB accounts. The bill specifies that a receiver cannot void transfers or obligations to transfer any property associated with any FHLB security agreement. The bill allows an exception for when any transfer is made with intent to hinder, delay or defraud the insurer, the receiver or creditors.

NOTARY PUBLIC (Sections 486.245, 486.275, 486.285, 486.305, 486.310, and 486.375)

The bill specifies that the Secretary of State must maintain a database that includes information contained on each notary public seal or any lost seal of a notary public. A manufacturer of a notary public seal is required to register with the Secretary of State and notify the Secretary of State when a seal is issued. The Secretary of State must approve any seal issued by the manufacturer within 10 days. A copy of the commission must be maintained by the manufacturer and if a manufacturer violates this provision, they are subject to a \$1,000 fine for each violation. The bill increases the penalty for acting as, or willfully impersonating a notary public while not lawfully appointed and commissioned to perform notarial acts from a misdemeanor to a class D felony.

Any notary who loses or misplaces their journal of notarial acts or official seal must immediately provide written notice of the fact to the Secretary of State. For a lost or misplaced official seal, upon receipt of the written notice, the Secretary of State is

required to issue the notary a new commission number for the notary to order a new seal.

If a notary public official seal is destroyed, broken, damaged, or otherwise rendered inoperable, the notary must immediately provide written notice of that fact to the Secretary of State.

If a notary no longer desires to be a notary public, he or she must mail or deliver to the Secretary of State a letter of resignation and their notary seal, and their commission will cease to be in effect.

The bill modifies the penalty provision for willful impersonation of a notary from a misdemeanor to a class E felony when such act results in a fraudulent act involving property.